

# Bargaining in favour of low wage earners: different perspectives

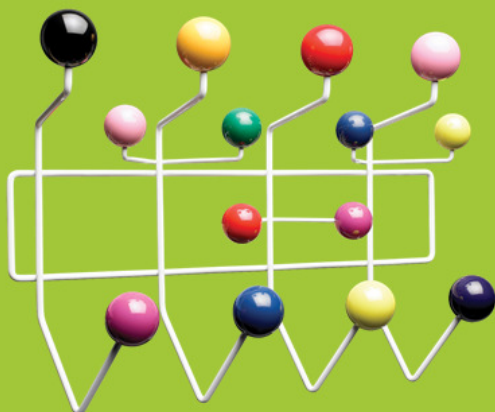
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ETUC conference 'Bargaining for Equality'

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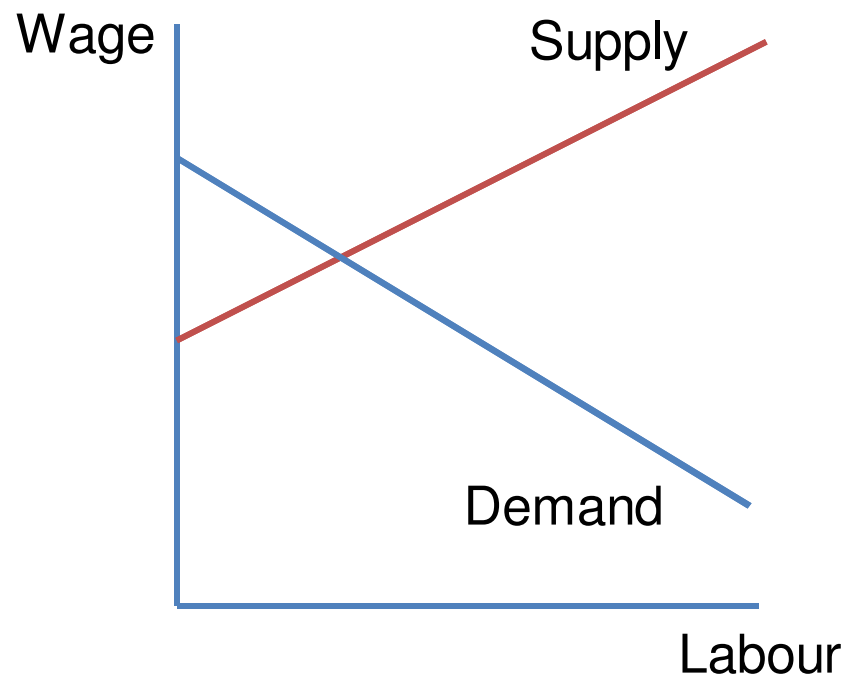


# Introduction

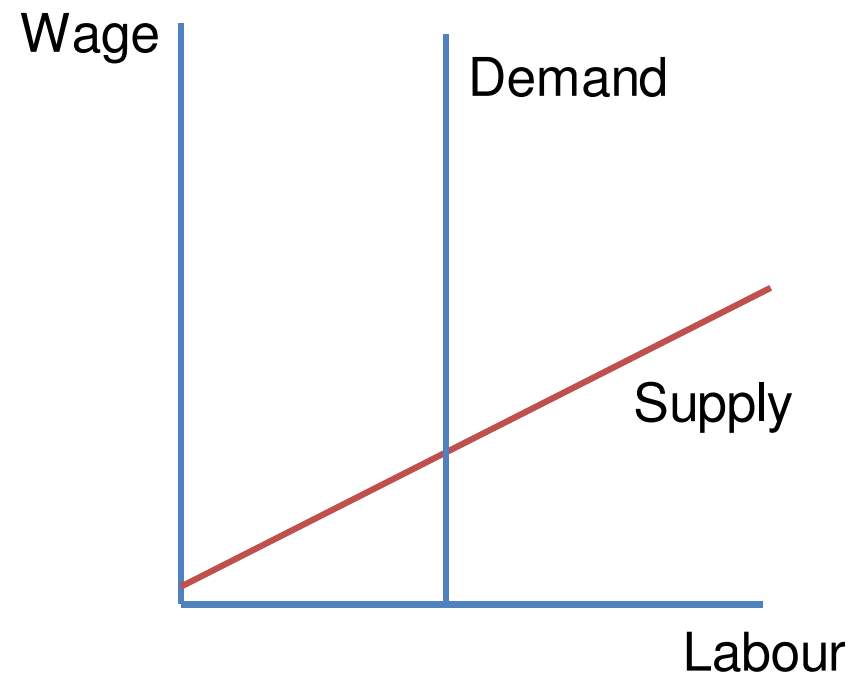
- Four different perspectives to tackle the GPG
  - WHAT      static view
  - WHEN      dynamic view
  - HOW      legal view
  - WHERE      institutional view

# Current context

## Bull dog principal

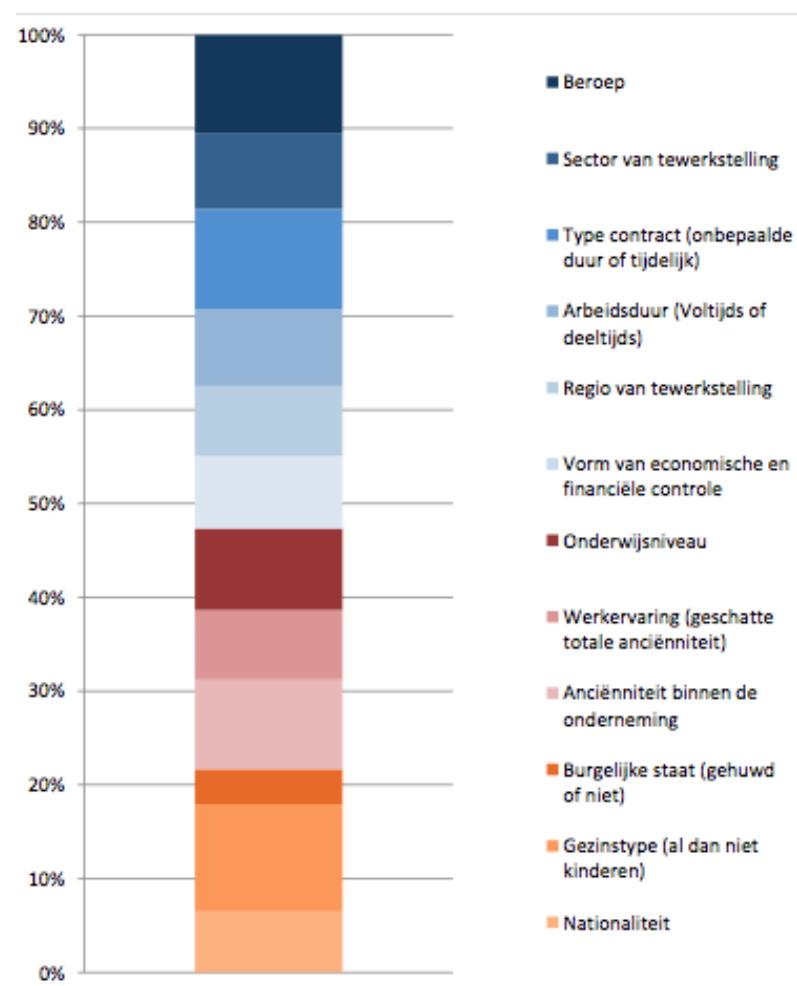


## Special needs assistant



# The static view

- Wage = price of leisure  
= MP =  $fc(\text{profit})$
- The **residual wage gap**  
 $w = fc(\text{this, that \& gender})$ 
  - 20-25% w/o controls (Belgium)
  - 15% w/ working time
  - 5-10% w/ all controls  
i.e. *ceteris paribus*
- *Ceterum autem non par est!*
- Oaxaca **decomposition**
  - Characteristics explained
  - Rewards unexplained



# The static view



# The static view

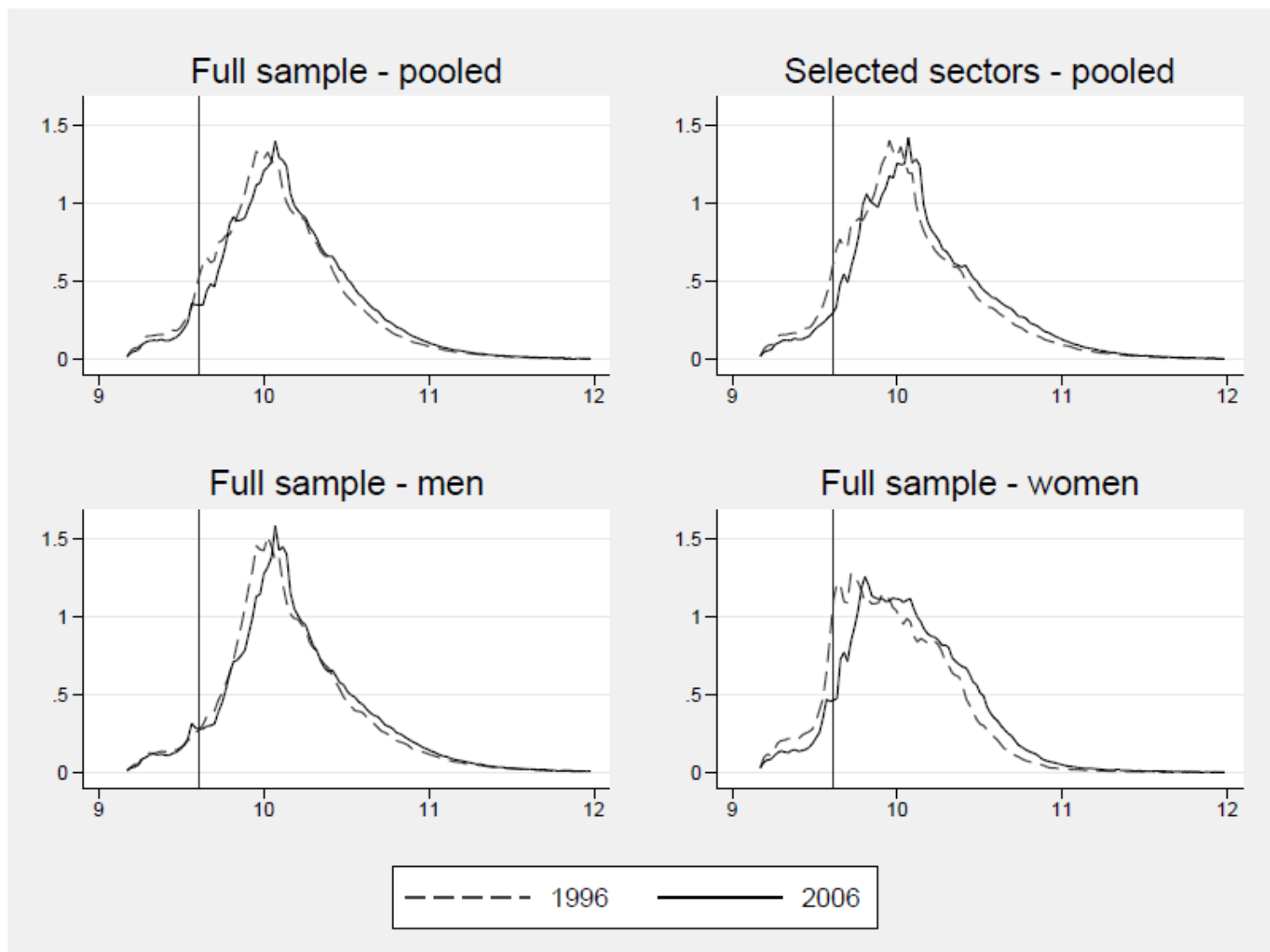
Interpretation: different labour markets

- Labour input
- Industry/organization/function
- Unemployment elasticity of wages is low/zero for women
- GPG decreased in the crisis:  
unemployment / wage loss for men

# The dynamic view

- Glass ceiling / sticky floor
- Perfectly equal mobility  $\leftrightarrow$  zero pay gap
- Sector minimum wages prevent wage inequality
  - Insiders: low male turnover
  - Outsiders: low female entrance

# The legal view

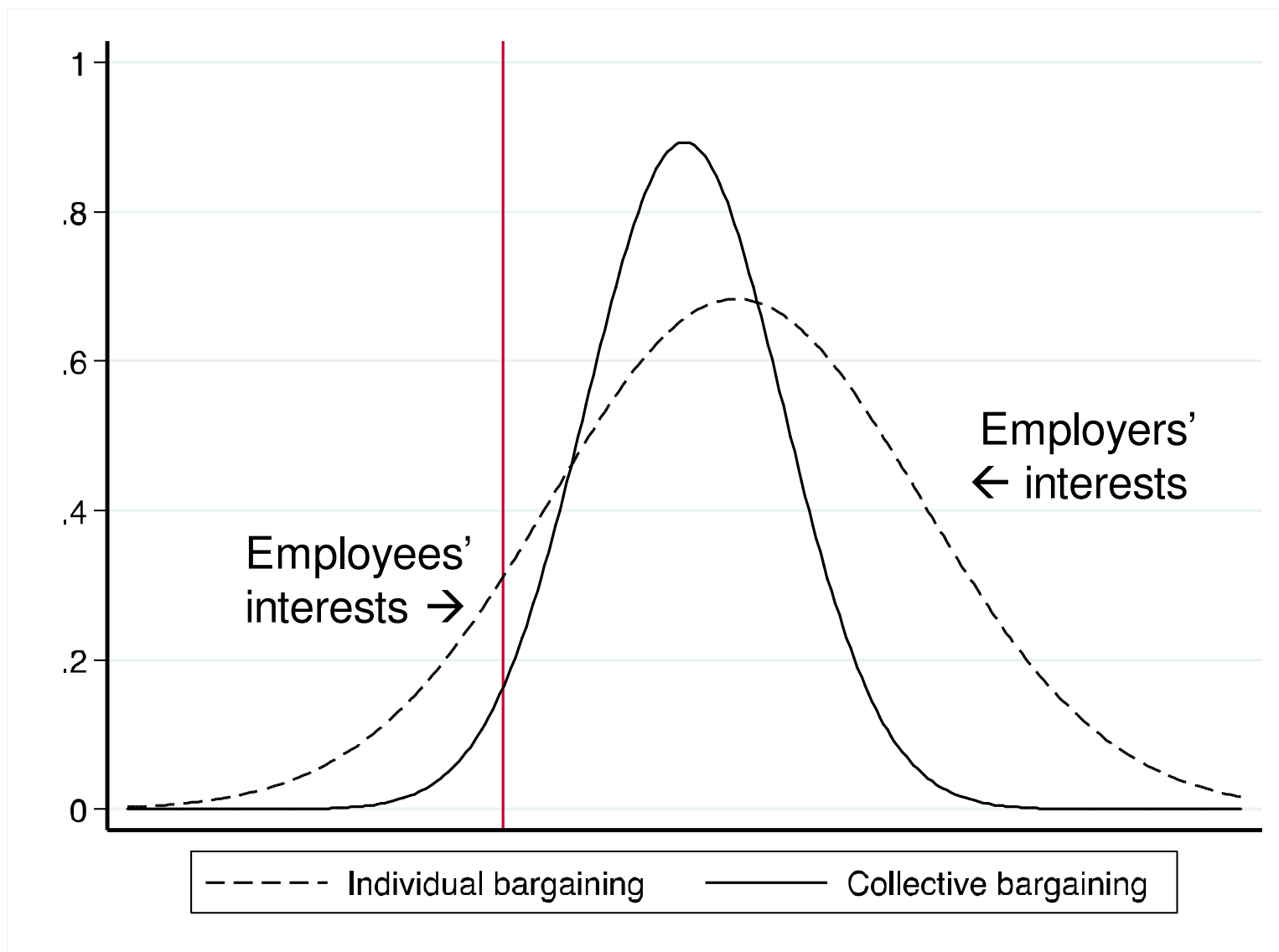




## Legal view

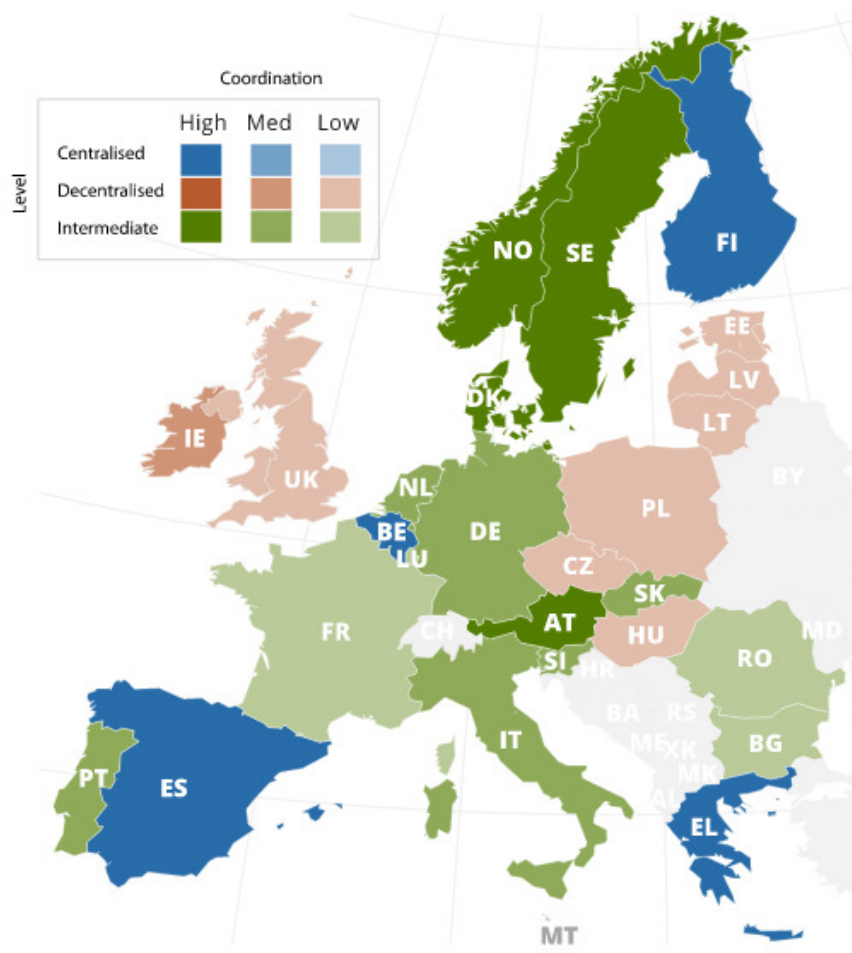
- Minimum wages: more wage equality  
→ decreasing GPG
- Non discrimination in labour law / constitution
- Job classification and wage scale systems
  - Negotiated share of wages?  
→ Larger in low wage work.
  - May enhance segregation (static)
  - No discernable effect on GPG (Belgium, 2008)

# Legal view

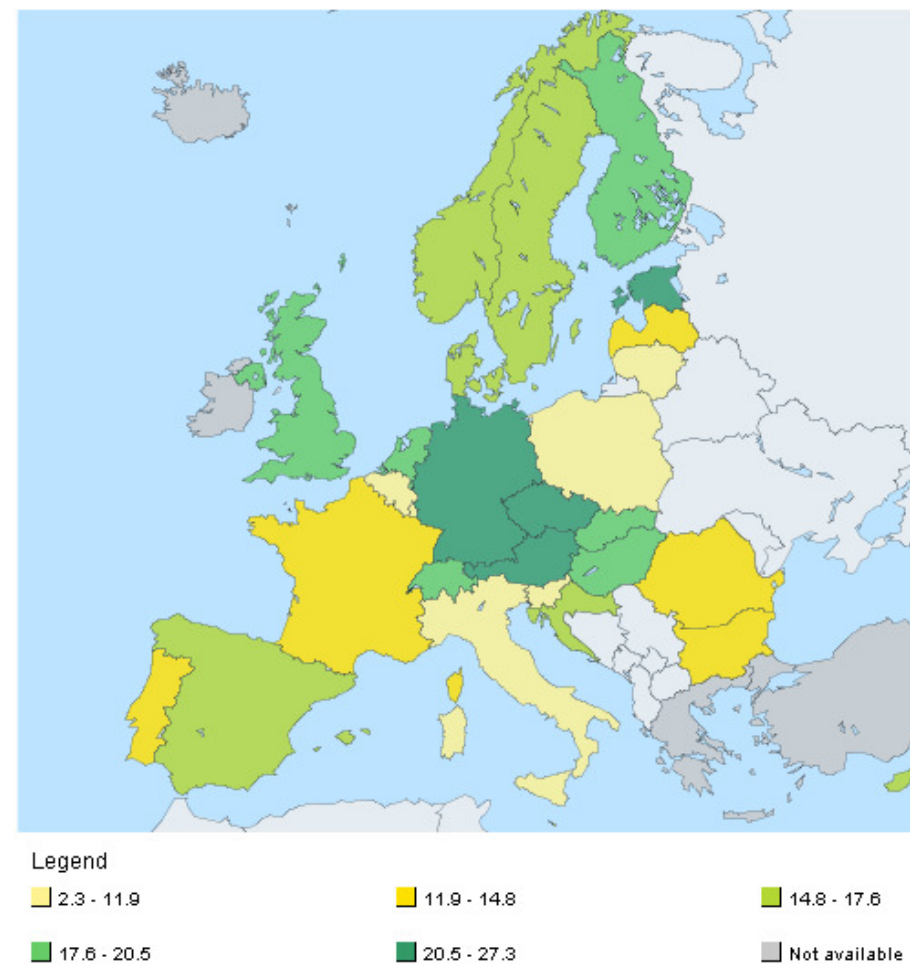


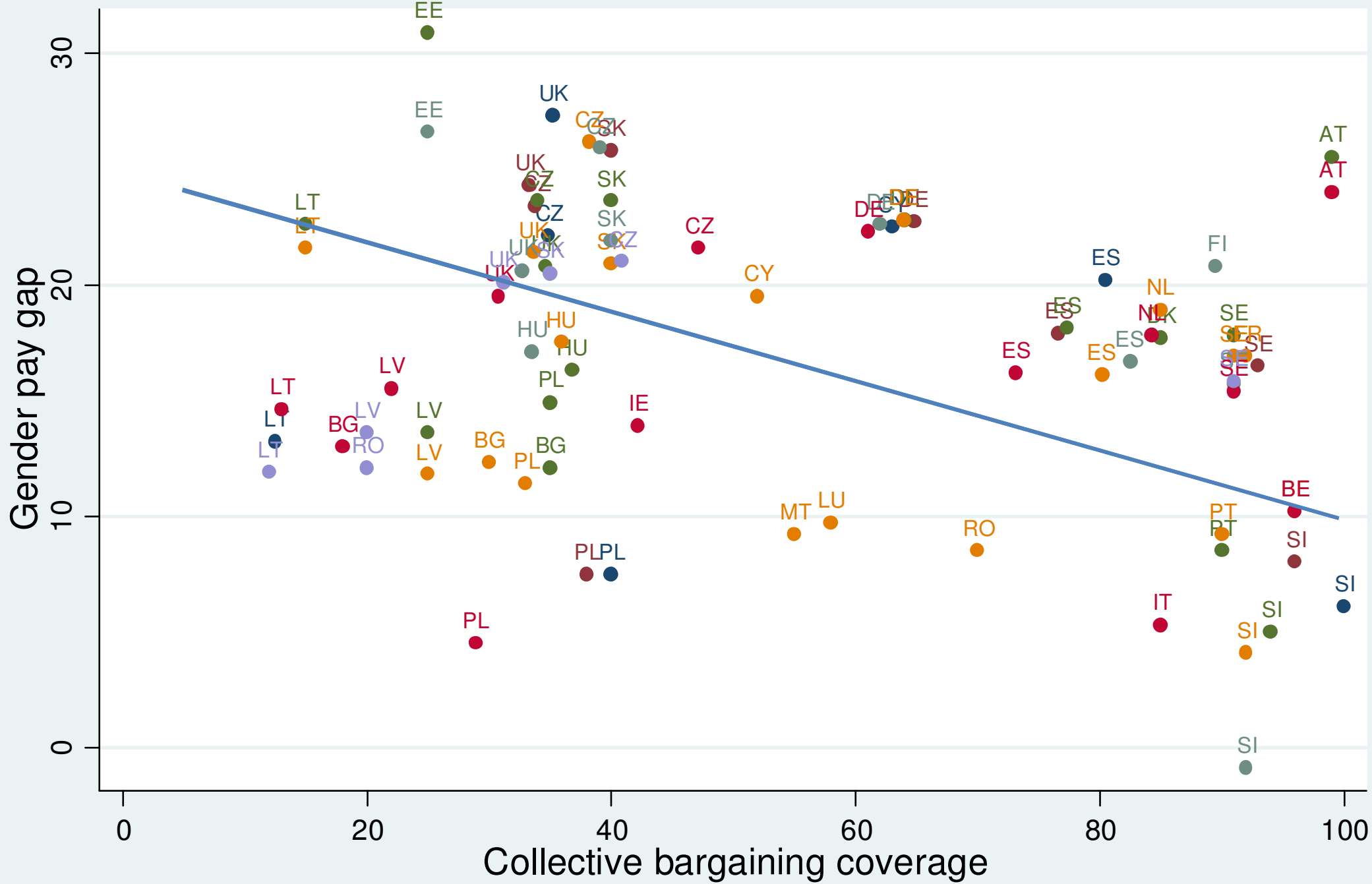
# Institutional view

## Wage setting



## Pay gap





# Institutional view

	B	P-value
(base) 2002	16.628	0.000
2006	-0.503	0.738
2007	-0.897	0.522
2008	-1.705	0.213
2009	-0.973	0.541
2010	-3.677	0.012
Coverage	-0.097	0.029
Centralization	18.660	0.014
R2 within	20.86%	
R2 between	31.92%	
R2 total	24.17%	
n	56	

- Supervision of sector agreements depends on negotiating partners' density and interests

# Conclusion

1. Campaign: changing **gender roles**
  - a. Industry, field of schooling (static)
  - b. Household optimization, working time (static)
  - c. Career orientation, functional level (dynamic)
2. Bargaining: prevent **inequality**
  - a. Minimum wages, share (legal)
  - b. Coverage (institutional)